

GRADE 2

Communities Here and across the World

Standard 2-5: The student will demonstrate an understanding of trade and markets and the role of supply and demand in determining the price and allocation of goods within the community.

2-5.1: Identify examples of markets and price in the local community and explain the roles of buyers and sellers in creating markets and pricing. (E)

Taxonomy Level: A 2 Understanding /Factual Knowledge

Previous/future knowledge: In first grade (1-6.4) students were introduced to the roles of producers and consumers and the ways in which they are interdependent. In high school students will have a more-in-depth discussion of the nature and role of competition in a market economy, including the determination of market price through competition among buyers and sellers and the conditions that make industries more or less competitive, such as quality, quantity, and price of products (ECON2.2).

It is essential for students to know the role of trade in market transactions. Students should have an understanding of both the definition of markets and examples of markets in the local community. Students must also recognize the role of buyers and sellers in determining the price and the amount of goods sold in the market. They must also understand the importance of buyers in determining the types of goods and services that are available in the market.

It is not essential for students to know issues such as profit motive, the impact of shortages and surpluses, the determinants of supply and demand, or a graphical analysis of market forces.

Assessment guidelines:

Appropriate assessment requires students to *identify* examples of markets and price in a local community; therefore, the primary focus of assessment should be to *define and explain* the role of markets and the role of trade in market transactions. In addition, an emphasis should be placed on *identifying* the role of buyers and sellers in the market place.